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OFFICE MEMORANDUM

To: Assistant Director For Research and Reports

Date: 5 March 1952

From: [REDACTED] 25X1A9a

Subject: Brussels Agricultural Machinery Exhibition

1. On 23 February I attended the 52nd International Exhibition of Agricultural Machines and Products in Brussels, Belgium. The exhibition was a large one, occupying the entire Grande Palais du Centenaire. All types of agricultural machinery from most of the countries of Western Europe, Scandinavia, Great Britain and the United States were exhibited. The only machinery on display from the Soviet Orbit were the Zetor 25 and 35-K tractors produced by Zbrojovka Brno in Czechoslovakia.

2. The most striking thing about the Exhibition was that it was primarily a Western German show. . As a rough estimate, about 70% of the machines exhibited were manufactured in the Bundesrepublik. The next largest group were machines manufactured by American firms or their European subsidiaries--International Harvester, Allis-Chalmers, and John Deere. The remainder were the products of a few firms in each of the following countries: France, Belgium, Holland, Switzerland, Sweden, and Denmark. All posters and literature were in either French or Flemish, indicating that the exhibition was aimed primarily at Belgian farmers.

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4. Although the Belgian distributor for Zetor naturally waxed enthusiastic about his product, I was told by another dealer that the Zetor tractors previously sold in Belgium had performed poorly and that Belgian farmers were reluctant to buy them. Also the Belgians feared that political uncertainties in Czechoslovakia, such as the possible conversion of tractor plants to war production, might make it difficult for them to obtain spare parts. Zetor after the war had found a ready market in Belgium because it was cheaper than other makes of tractors.

5. From the few people with whom I talked at the Exhibition, I gained the picture of a large western German agricultural machinery industry, which before the war enjoyed a substantial market in Eastern Germany but which now must find outlets in the West. Holland and France, because of their high import duties designed to protect the few domestic manufacturers, are virtually closed to German agricultural machinery. Hence the Germans are greatly interested in the Belgian market where there are many consumers and few domestic manufacturers to offer competition. There were several German manufacturers at the Exhibition who were looking for Belgian agents to

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represent them.

6. One Belgian told me that in the immediate postwar period, U. S. firms were the primary suppliers of machinery to Belgian agriculture. Today, however, German manufacturers have gained the ascendancy in the Belgian market. Most of the American tractors sold in Belgium have been gasoline engine types. Due to the high cost of gasoline, however, the Belgian farmers much prefer diesel-powered tractors. I noticed that all of the German tractors exhibited, and there were numerous different makes, were diesels. Competition among the many German tractor manufacturers is very strong. Outwardly there seemed to be no great difference among the various models. The Diesel motors for most of the makes were manufactured by a small group of diesel engine manufacturers: Deutz, MWM, MAN, and Penschel. Few of the German manufacturers produce their own engines. A new German make, the Allgaier tractor, was on exhibit, and I was told by a Belgian dealer (not the Allgaier representative) that it was of very good quality and low-priced.

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9. In your cable of 29 February, you requested my comments on the usefulness of attendance at trade fairs of ORR technical experts. Here are a few thoughts which I have put together on the subject.

10. Trade fairs are a source of valuable economic intelligence information, particularly where Soviet- and Satellite-manufactured materials are exhibited. Certain opportunities offered by trade fairs include:

- (a) An easy means of acquiring data on manufacturers and their products, through the trade literature disseminated at the fair.
- (b) A means for acquiring, through discussion with sales representatives, general information on industrial and trade developments.
- (c) A means of acquiring intelligence from nameplate data, particularly important for Soviet exhibit products.
- (d) A means for evaluating design features and exterior workmanship,

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from which conclusions can be drawn on the technological development of a particular industry of a country.

(c) An opportunity to acquaint the non-technically trained analyst with various types of industrial products.

25X1A8a 11. What type of personnel are best suited to exploit the intelligence potential of trade fairs? Most economic intelligence specialists should be able to acquire the data covered in categories (a) through (c) above. For the technological evaluation mentioned in (d), however, it is necessary to have the services of an engineer experienced in the type of material he is investigating. U. S. engineers and businessmen who have attended foreign trade fairs have in the past provided some excellent technical appraisals in [redacted] reports. Briefed beforehand on ORR requirements, these men frequently make fine sources. I feel, however, that an ORR engineering specialist could obtain more complete information than the businessman, for he has the single objective of collecting intelligence, can devote his entire time at the fair to this purpose, and knows exactly what he is looking for. In some cases, qualified technical specialists of NSA or other U.S. missions abroad could obtain the information needed by ORR. Certainly we should avail ourselves of all the resources of U.S. Government and industry in utilizing this source of intelligence.

12. Linguistic ability should naturally be considered in selecting people to attend foreign fairs. At the Brussels Fair, signs and literature were either in French or Flemish. Had I been fluent in either of these languages, I could probably have acquired much more useful information.

25X1A8a 13. In determining the fairs that should be covered for economic intelligence purposes, I would suggest that a representative number of fairs by type and locale be selected each year including all those which have any substantial participation of Soviet Orbit countries. In making such a determination, it is imperative to know well in advance of the particular fair just what countries will participate and what materials will be exhibited. This information is sometimes difficult to secure. Despite several attempts on my part, I was unable to find out beforehand the participants in the Brussels Fair. On the other hand, I was able to discover that Czechoslovakia, Hungary, and Poland will have exhibits at the Vienna Fair to be held next week. In the past such information came into ORR in a haphazard fashion, usually from [redacted] contacts. [redacted] NSA, 25X1A8a and State Department missions should all be good sources for this data, but they should be charged with reporting it on a regular basis.

✓ 14. Having determined what fairs are to be exploited, ORR should then see to it that they are covered by ORR specialists, businessmen, or other qualified individuals, and that these people receive adequate briefing. We should by all means avoid those situations in the past where some important fairs were missed completely and others covered by a number of different sources. Through careful advance planning, more efficient and complete coverage could be achieved. The Economic Intelligence Committee might be an instrument for accomplishing the necessary inter-agency coordination.

15. In summary, I feel that trade fairs provide a valuable source of economic intelligence; that qualified specialists are needed to cover them; that information on participants should be secured well in advance so that a proper selection of fairs can be made, and that ORR should take the lead in coordinating the intelligence exploitation of these fairs.

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Enclosure:

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Catalog of International Machinery Exhibition, Brussels
Leaflets on various products exhibited at fair

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